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Some Encouraging Signs and Tendencies

A TIMELY ARTICLE FROM INDUSTRIAL POWER BY

FLOYD W. PARSONS

In the present business picture the hopeful thing is that conditions are too serious to continue long without important changes taking place. Our people have been moving in a vicious circle of distrust. Business has looked to Washington and Washington has looked to business for the answer. Neither has fully trusted the other. Actions and attitudes have been largely shaped by human emotions.

But it is encouraging to note new coalitions and alignments in the legislative field. Congress is commencing to operate on the basis of blocs and groups rather than on the traditional two-party system. Such a movement occurred in Great Britain with beneficial results.

There is no denying that economic weather throughout the world is generally cloudy. But in the truly democratic nations (such as Great Britain, Canada, and the Scandinavian countries) the decline in the industrial index has been neither sudden, nor alarming. This is illuminating in view of the fact that these countries were subjected to even greater price advances than took place in the United States this year.

Thoughtful people searching for the truth know these things:

The present slump in business has not been caused by a lack of purchasing power resulting from low wages and too low returns for agriculture. Nor has it been caused by specific business crimes committed by a few rich and irresponsible corporation executives. The truth is that the present purchasing power of the average American worker today, when adjusted to the present cost of living, is about seven per cent. higher than in 1929.

The big spurt in employment that took place in 1935-36 was produced by the re-

vival which occurred in the production of durable goods. This recovery in durable goods put more than 4,000,000 men and women back to work. It also reversed a condition in which the annual amount charged off by corporations for depreciation was greater than the total expenditures for modernization and plant expansions.

Then developed a situation wherein business managements became unwilling to invest more money in their plants, despite the fact that such capital could be secured on usually favorable terms. This tended to put a stop to the investment of dollars in durable goods. In other words, recovery was halted by excessive taxation, unsound credit deflation, and unparalleled interference with the nation's capital markets.

The present note of optimism that is spreading in many quarters of the country is based on the growing conviction that Congress will again commence to function as an independent body; that new orders are showing moderate improvement; that the business recession is flattening out; and that in spite of disturbing dips in prices of securities and a great amount of pessimism respecting nearby prospects, a new period of stability is developing.

Long experience has disclosed that all movements of trade and industry tend to exhaust themselves, and the more rapid the decline the sooner the bottom is reached.

The steel industry was a leader in the business slump, and recent figures indicate that steel inventories have been substantially reduced, with the result that a gradual improvement in orders is taking place. Similar conditions exist in the textile and shoe in-

dustries. Highly gratifying has been the cooperative attitude of workers in shoe factories where acceptance of wage reductions has permitted manufacturers to reduce prices and go after new business.

Doubtless the record automobile inventory situation will produce many headaches and require careful handling, but if a sincere effort is made by all concerned to bring about a balancing of costs and prices, as well as production and consumption, then the heavy losses that are inevitable in such fields may be restricted to a point that will not produce serious industrial upsets. If Congress acts in a way to bolster confidence, painful business adjustments may be avoided.

The thing that is always most disturbing to business is hidden bad news. A suspicion that trouble is brewing is usually worse than the trouble itself. The tremendous drop that occurred in the stock market long before business conditions justified the decline was extremely disconcerting and tended to paralyze production. It is now likely that we know the worst and to that extent the atmosphere is cleared.

We know that the railroads have granted wage increases which advance their costs by a total of \$130,000,000. We know that the Guffey Act has added substantially to the costs of all coal-using industries. We are aware that federal obligations today are at a record high and are still soaring. We have clearly in mind that with one unimportant exception, public utility corporations have not floated a single dollar of new capital since the New Deal came into power.

Never was there a time since the founding of this nation when the principles of sound economics were so widely understood. Never were misleading statements more speedily exposed. (Continued Page 2)

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Each passing hour is supplying new evidence that America will continue to be America and that our citizens will refuse to let go of their inherited freedom and their opportunities for achievement. There is a widening recognition of the "morality of profit." There is a spreading belief that planning on a grand scale has been a failure; that federal regulation of every detail in the nation's economic life is unwise; that capital investments must have a chance to amortize themselves; and that the adoption of false policies and a false philosophy by the gov-

ernment is far more dangerous than if private business pursues mistaken policies. If the government is wrong, the whole economic system of the nation is destroyed; while if business is in error, it alone pays and passes out of the picture.

So far as conditions in the United States are concerned, it is safe to say that in spite of the rapid decline in production and the increase in unemployment, trade and industry are moving into a stronger position than they occupied a year ago. Our people are again coming to recognize the importance of healthy business to the life of the nation.

Technical Data

Through the courtesy of Mr. Ralph Mathews and Dr. J. B. Rather we give you herewith a revised method for the Determination of Water in Greases. This method has been checked by various laboratories and submitted to the A. S. T. M. as a tentative standard. The reason for this revision is due to the fact that when making water determinations in accordance with A.S.T.M. D95-30, it has been found that glycerine is carried over with the solvent causing error in the results obtained.

Tests on known mixtures of water and glycerine indicate that the Xylol Distillation method is highly satisfactory.

Xylene Distillation Method of Test for Water in Grease

SCOPE: This method of test for water in grease by distillation with xylene is particularly suitable for materials containing glycerine but may be used for many other materials.

APPARATUS: The apparatus shall consist of an Erlenmeyer flask, heated by a gas flame and connected to a vertical spiral condenser. The condensed distillate shall be collected in an A. S. T. M. cone-shaped centrifuge tube. The centrifuge as well as the cone-shaped tubes shall conform to those described under the "Standard Method of Test for Water and Sediment in Petroleum Products by means of Centrifuge" (D96-30).

The distillation flask shall be of the ordinary glass Erlenmeyer type, made of well annealed glass, having a capacity of 500 ml. The connecting tubing shall be made of well annealed glass shaped as shown in Fig. 1.

The condenser shall be of the water cooled spiral glass tube type, having a condenser jacket not less than 225 mm. (9 in.) in length with an inner coil of tubing from 6 to 9.5 mm. ($\frac{1}{4}$ to $\frac{3}{8}$ in.) in outside diameter. The end of the condenser, from which the distillate shall flow, shall be ground off at an angle of 30 degrees from the vertical axis of the condenser.

SOLVENT: The solvent shall be U. S. P. Xylene. As an aid to distillation commercial grade water free oleic acid shall be used.

SAMPLE: The sample shall be thoroughly representative of the material to be tested and the portion of the sample used for the test shall be thoroughly representative of the sample itself. Deviation from this requirement shall not be permitted.

PROCEDURE: When the sample to be tested contains less than 5% of water 20 grams of the material shall be weighed to the nearest decigram into the flask and thoroughly mixed with 150 ml. of xylene and 10 ml. of oleic acid. When the sample to be tested contains more than 5% of water the amount of material used shall be decreased to that which will yield less than 1 ml. of water. The sample in such cases shall be weighed to the nearest milligram.

The connections between the flask and the condenser shall be made by means of tight fitting corks as shown in Fig. 1. The end of the condenser shall be made to extend into the centrifuge tube to approximately 5 mm. above the 100 ml. graduation. Heat shall then be applied in such a way that the distillation will proceed as rapidly as possible without carrying over unvaporized material. As soon as the flask and connecting tube are seen to be free of condensing water vapors, the condenser jacket shall be drained of water and the distillation continued until a layer of clear xylene separates in the centrifuge tube. The heat shall then be removed and the condenser allowed to drain. The collected distillate shall be centrifuged until the xylene layer is clear.

The percentage of water shall be calculated by multiplying the volume of water in the centrifuge tube by 100 and dividing by the weight of the sample.

The accuracy of the method shall be considered that duplicate determinations will give volumes of water differing by not more than five one-hundredths of a milliliter, (0.05 ml.).

Safety

At a recent meeting of the Institute the question of the health hazard in the handling of litharge and lead soaps in the manufacturing of various lubricants was brought up. We give you herewith the method used by one large manufacturer to safeguard employes doing this type of work.

"The vessels in which the lead soap is made have covers and are built with individual suction fans. The operators are compelled to use leather gloves and wet sponge respirators. The shift supervisors are instructed that only man designated to handle the material should be employed in the process and they should be watched so that extreme cleanliness of habit is formed. Syntrol electric feeder conveyor capable of automatically feeding the litharge into the material being saponified are used and the only contact the man would have would be with the material while feeding it to the hopper of this conveyor."

A large manufacturer of lead naphthenate advises as follows:

"Lead naphthenate compounds represent materials which do not vaporize or decompose at ordinary temperatures. This removes one of the hazardous factors, that is, it eliminates the danger of poisoning from volatile lead compounds. Men handling lead naphthenate should use gloves and suitable metal tools. Notwithstanding the remoteness of lead poisoning from this form of the product it must be emphasized the best precaution lies in cleanliness on the part of the men, especially that they wash their hands and face before eating, etc. An interesting and instructive book on this subject is 'Lead Poisoning' by J. C. Aub, published by the Williams & Wilkins Co., of Baltimore, Md."

Further instructive literature can be obtained by writing the Superintendent of Documents at Washington, requesting bulletin No. 7, Industrial Health & Safety Series on Lead Poisoning. Cost, 5 cents.

Personal

Mr. R. H. Patch, Vice President, E. F. Houghton & Co., was elected a Director of the Institute. Dr. Patch's election fills the vacancy left by John C. Wolke, who died at his home, October 18, 1937.

NEW MEMBERS

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St. Louis, Mo.

RILEY-PENN OIL CO.
Burlington, Iowa.



The INSTITUTE SPOKESMAN

Published Monthly by THE NATIONAL
LUBRICATING GREASE INSTITUTE

GEORGE W. MILLER . . . Editor
498 Winspear Avenue, Buffalo, N. Y.

The office of Executive Secretary of the National Lubricating Grease Institute has been moved from Cleveland to Buffalo, N. Y. All correspondence with reference to the Institute or the INSTITUTE SPOKESMAN should be addressed to National Lubricating Grease Institute, c/o Geo. W. Miller, 498 Winspear Ave., Buffalo, N. Y.

The INSTITUTE SPOKESMAN is a vital part of the function of the National Lubricating Grease Institute. In order to make this paper both interesting and worthwhile we are looking to the membership as a whole to co-operate in its publication. It will only take a few moments of your time to fill in the attached sheet and return it to be used for copy in the SPOKESMAN. You will receive one of these forms monthly and we look forward to your co-operation.

Jot down your ideas—pass them on to the next fellow. In turn his idea may help you. In addition we will appreciate your suggestions.

LATEST CAR MANUFACTURERS' RECOMMENDATIONS

Lubrication recommendations and procedure are constantly being altered by the car manufacturers as a result of changes in production or because of service experience in the field. Make the following notations on your LUBRICATION CHART pages and your volume will be strictly up to date.

FORD 1 and 1½ Ton V-8 Trucks—1938—The following changes should be made on your No. 17 Supplement page covering these models, in accordance with latest information received from the factory:

Capacities	Differential	Cooling System	Gas Tank
1 Ton (60 engine)	3 pt. or lb.	16 qt.	18 gal.
1 Ton (85 engine)	3 pt. or lb.		18 gal.
1½ Ton (85 engine)	7 pt. or lb.		18 gal.

At points 7 and 10, Spring Seat, add "(Not on 1 Ton)."

Change Note B to read: "Springs—Rear on 1 Ton, front and rear on 1½ Ton: Spray with Penetrating Oil. Front on 1 Ton: lubricate with Special Spring Lubricant through fitting at center bolt on front spring under engine."

Note D, Oil Bath Air Cleaner—Capacity 1 pt. except large vertical type mounted on cylinder head, which has 3 pt.

RE-LOCATION OF CHEVROLET MASTER PASSENGER CAR FRONT SPRING REAR SHACKLE LUBRICATION FITTING

The method of assembly of the front spring shackle on Chevrolet Master passenger cars on the left hand side only, has been changed by reversing the bolts. This will bring the lubrication fittings on the inside of the shackle. This is to eliminate any possibility of interference of the drag link and the fitting on the spring shackle.

Sales and Merchandising

GREASE JOB 49c

Perennial as the robin or April showers is another sign of Spring that greets the motorists' eye — Grease Job—49c. We believe John W. Thompson's article, "Plus Service," which appeared in a recent issue of National Petroleum News, on this subject is worth while and bears repetition.

If you have not digested the meat in this article here is your chance.

Perhaps another reason for the "49c" sign is brought out in J. S. Keller's paper, "A Challenge to Lubricant Manufacturers" and presented at the fifth annual convention of the Institute. This paper, based on a national survey, showed that less than one per cent. of the outlets carried all eleven "must" lubricants, 2.4% carried ten and 96.9% only carried two lubricants—further thought for sales and marketing divisions.

PLUS SERVICE

At the outset, you should be warned that this little story is about price. It points out that a policy of price selling is costly, that it will not make your business prosper, and that when you resort to price to sell merchandise you lose standing as a salesman.

But if you will take time off to read this little tale about price selling, perhaps an idea may pop out that you can pass along to your competitor. There won't be any ideas in here for you, because you never resort to

price to sell your goods, but your competitor ah, he's the guy that needs this.

Now let us assume that there are five dealer-operated service stations in the little town of Budge along the main highway. All of these dealers are, of course, very anxious to get all the local and tourist lubrication business they can. How do we know? Because all the stations have lifts, and that means they want lubrication business.

Some of the stations even have the word "Lubrication" featured in small letters over the service bay, so that passing motorists cannot help but see the sign and drive in for a complete grease job and oil change.

One dealer even conceived the idea of putting up a sign reading "Specialized Lubrication", feeling sure that this radical promotion stunt would drag 'em in.

Of course, you know the result. Few stopped for service.

Then one day, one dealer really got a breath-taking sales idea. He would cut his price on lubrication jobs. That would stop 'em. Everybody likes a bargain. Nobody would pass up this chance to save money.

It developed that a few of the local citizens took the wrappers off their old model T's and wheeled them down to the station for the bargain grease job. In fact, just enough of them did that to give the other dealers in Budge the novel idea of following the same price cutting policy.

Naturally, as is inevitably the case, each dealer tried to outdo the other in this novel method of getting business, until the price got so low that even the townspeople of Budge began to doubt the wisdom of taking their cars to these stations for greasing.

Even at the risk of being an armchair theorist, we say, wouldn't it be more logical for the dealer to hold tight to his price of \$1 for his lubrication job, and add to its value by including with it an added service that would increase the value of the lubrication job in the eyes of the customer.

How much better for the dealer and how much more effective it is psychologically for the customer if the appeal reads, "Complete Lubrication of Your Car PLUS Vacuum Cleaning of Upholstery", instead of the price-torn message which all too frequently reads "Thorough Lubrication Special—49c".

Some of the larger oil companies are taking the lead in the policy of maintaining a \$1 or \$1.50 price on lubrication jobs and offering additional services such as vacuuming, cleaning all windows, brushing out floors, and other incidentals which aid in justifying the price.

Now, if we may be pardoned for theorizing for the moment, we would like to

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explain that too many merchants place a value on the price itself, instead of on the merchandise they are selling. In other words, if you advertise a price you are selling a price. But don't lose sight of the fact that it's a lubrication job you are selling. The price of it, within reason of course, should be made incidental to the excellence and thoroughness of the lubrication job.

For example, if you are selling a high-priced oil, there must be some reason why you handle it. When you come to sell this premium-priced oil, you have to create a value for that oil greater than the price you are asking for it in order to justify the consumer's decision to buy it.

Certainly a song-and-dance sales talk about its being a "better" oil because it's higher priced, won't do. The customer hears that on every oil he buys. You certainly can't rush up to the customer and blurt out the magic phrase "premium oil" to him and expect him to break out in a chill and make a purchase. No sir, every oil these days is a premium oil . . . at least in the eyes of the man who sells it.

To sell that premium product, or any premium product for that matter, a value must be built up around the product which over-shadows the price which is asked for it.

In the case of the oil, your build-up may be in the excellent "V. I." qualities. Of course, the average customer wouldn't know whether V. I. meant Viscosity Index or Violet's Indiscretions, but there are ways of explaining it to him. For instance, you can explain to him that this premium oil does little thickening or thinning with changes in temperature, thus giving the engine an added protection.

Possibly the oil is refined by a special process; and possibly you bought it because of that process. Then tell the customer the name of the process. If it helped to sell the oil to you, it may very likely help to sell it to your customer. He may not understand the process, and for that matter you may not either, but it sounded good when you bought it, and it may sound good to your customer, too.

The point is, create a value for your oil that reaches out beyond its price. If the customer can be made to see enough advantages in it for him he will pay 35 cents, or even 50 cents a quart for it.

The airlines offer a good example. They have been able to continually increase their passenger business in spite of premium fares,

and in the face of cheaper rates on railroads and buses. Why? Because they have built up a value around airplane travel in the minds of travelers that over-shadows the higher price that it costs.

In Chicago there is a particular restaurant whose menus serve to further illustrate this same point. Here, for example, you will not find Roast Turkey listed as such. No sir, it is "Buttery, Juicy, Roast Young Tender Tom Turkey". And if you are not drooling by then, here is more of the value build-up for you. We quote:

"Only the finest Minnesota turkeys with young tender meat are selected for us. They are carefully singed, cleaned and then stuffed with home-made dressing. During roasting they are constantly basted which gives the meat a juiciness that is buttery and delicious. Served in liberal portions, right from the oven."

Thus this restaurant builds up a value for its offerings far beyond the price which it quotes. And, we might add, such a build-up does make the turkey taste better.

Your customers know your oil is "good oil". That's a standard specification. What they don't know is that possibly it was processed especially for modern engines, or that it has some foreign-sounding compound in it that does this to it, or that to it. Why did you buy the oil yourself in the first place? Maybe your oil sales story to your customers is in that answer.

You lubricate cars. You know you do the best job in town; your men at the stations know your company does the best lubricating job. But does the motorist know it?

Do you have any lift attachments that aid in doing a more thorough lubrication job? Do you take any special precautions to keep the car clean while lubricating it? Do you provide a comfortable place for the customer to wait while his car is being lubricated? Do you offer any plus services with a lubrication job?

If you do, are you keeping it a secret from those who enter your station drives? Any dealer can hang out a sign advertising a 49-cent lubrication job, but the station operator who advertises a lubrication service instead of a price is still in the minority. Why, then, wouldn't it be smart business to do something the others aren't doing?

When you fail to get a fair price for your merchandise, you are losing footing as a salesman, for you have failed to sell the product in terms of its value to the customer.

Check each item of your merchandise. Find in it some sales feature that its competitor does not have, then push it. If it has no feature all its own, get rid of it, and get a line that has.

WANTED

GREASE MAKER: A manufacturer located in the East desires the services of a Grease Maker experienced in the manufacture of lime and soda soap greases.

CHEMIST: Grease Manufacturer in middle West desires the services of a Petroleum Chemist who is also acquainted with the manufacture and testing of greases and with ability to carry on research work.

Address your replies to National Lubricating Grease Institute, G. W. Miller, 498 Winspear Ave., Buffalo, N. Y.

Transportation

I. C. C. Reverses Decision

A motor carrier who performs collection and delivery service for a railroad within terminal districts is not subject to the Motor Carrier Act, 1935. This decision of the Interstate Commerce Commission in No. MC-2744, Scott Bros., Inc., Collection and Delivery Service, is a reversal of its former findings. There were a number of dissenting opinions.

New Railroad and Motor Truck Freight Classifications

Consolidated Freight Classification No. 12 has been issued and will become effective March 30, 1938. This is a periodical re-issue and does not contain any general changes of any consequence.

Except for a few minor changes in wording which result in neither increases nor reductions, the rules remain intact. No change is made in the form or conditions of the bill of lading. There have been some changes including reductions in the ratings on some commodities, which are too numerous to tabulate here.

The National Motor Freight Classification No. 3, issued by the American Trucking Association, Inc., will also become effective on March 30, 1938. This classification has now become quite generally used by the motor truck lines. It is patterned after the rail classification both as to rules and ratings with some deviation peculiar to the trucking business.

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LUBRICATE FOR SAFETY EVERY 1000 MILES

